



**CALIFORNIA STATE  
PUBLIC WORKS BOARD**

**ARNOLD SCHWARZENEGGER, GOVERNOR**

**915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694**

## **AGENDA WITH ANALYSIS**

**NOTICE OF MEETING  
STATE PUBLIC WORKS BOARD  
[Monday, October 12, 2009](#)**

The **STATE PUBLIC WORKS BOARD** will meet on [Monday, October 12, 2009, at 10:15 a.m. or upon adjournment of the Economic Recovery Financing Committee meeting, in Room 113, State Capitol, Sacramento, California](#). In accordance with provisions of Section 11125 of the Government Code, a copy of the Agenda is attached.

Greg Rogers  
Administrative Secretary

Attachment

**STATE PUBLIC WORKS BOARD**  
**Monday**  
**October 12, 2009**  
**10:15 a.m. or upon adjournment of the**  
**Economic Recovery Financing Committee meeting**  
**Room 113**  
State Capitol  
Sacramento, California

**I. Roll Call**

Michael C. Genest, Director, Department of Finance  
Will Bush, Director, Department of General Services  
Randell Iwasaki, Director, Department of Transportation  
John Chiang, State Controller  
Bill Lockyer, State Treasurer

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Patrick W. Henning, Director, Employment Development Department  
(Advisory Member)

\* \* \* \* \*

Assembly Member, Mike Eng, Legislative Advisor  
Assembly Member, Mary Hayashi, Legislative Advisor  
Assembly Member, Sandre Swanson, Legislative Advisor  
Senator, Mark J. DeSaulnier, Legislative Advisor  
Senator, Denise Ducheny, Legislative Advisor  
Senator, Abel Maldonado, Legislative Advisor

**II. Approval of minutes from the [September 14, 2009](#) meeting**

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## BOND ITEMS

### BOND ITEM—1

#### 2009 SERIES G VARIOUS CAPITAL PROJECTS

##### Department of General Services (1760)

*Project:* **Central Plant Renovation**

*Location:* Sacramento

*Authority:* Chapter 157, Statutes of 2003, Item 1760-301-0660 (1)  
as reappropriated by the Budget Acts of 2005 and 2007; and  
Chapters 171 and 172, Statutes of 2007, Item 1760-301-0660 (1)

*Project:* **Marysville Office Building Replacement**

*Location:* Marysville

*Authority:* Chapter 157, Statutes of 2003, Item 1760-301-0660 (2)  
as reappropriated by the Budget Acts of 2004 and 2005; and  
Chapters 38 and 39, Statutes of 2005, Item 1760-301-0660 (3)

##### California Conservation Corps (3340)

*Project:* **Camarillo Satellite Relocation**

*Location:* Camarillo

*Authority:* Chapter 106, Statutes of 2001, Item 3340-301-0660 (1)  
as reappropriated by the Budget Act of 2002 and partially reverted by Budget Act  
of 2005;  
Chapters 38 and 39, Statutes of 2005, Item 3340-301-0660 (2)  
as reappropriated by the Budget Act of 2006 and partially reverted by the Budget  
Act of 2007; and  
Chapters 171 and 172, Statutes of 2007, Item 3340-301-0660 (1)

##### Department of Mental Health (4440)

*Project:* **New Main Kitchen**

*Location:* Metropolitan State Hospital, Norwalk

*Authority:* Chapter 157, Statutes of 2003, Item 4440-301-0660 (2)  
as partially reverted by the Budget Acts of 2004 and 2005;  
Chapters 38 and 39, Statutes of 2005, Item 4440-301-0660 (1)  
as reappropriated by the Budget Act of 2006; and  
Chapters 171 and 172, Statutes of 2007, Line Item 4440-301-0660 (1)

## **Department of Corrections and Rehabilitation (5225)**

*Project:* **CCI Wastewater Treatment Plant Renovation**

*Location:* California Correctional Institution, Tehachapi

*Authority:* Chapters 38 and 39, Statutes of 2005, Item 5225-301-0660 (2)  
as reappropriated by the Budget Acts of 2006 and 2008; and  
Chapters 171 and 172, Statutes of 2007, Item 5225-301-0660 (0.5)

*Project:* **CVSP Heating, Ventilation, and Air Conditioning System**

*Location:* Chuckawalla Valley State Prison, Blythe

*Authority:* Chapters 38 and 39, Statutes of 2005, Item 5225-301-0660 (1)  
as partially reverted by the Budget Act of 2006; and  
Chapters 47 and 48, Statutes of 2006, Item 5225-301-0660 (1)

*Project:* **DVI Wastewater Treatment Plant**

*Location:* Deuel Vocational Institution, Tracy

*Authority:* Chapters 171 and 172, Statutes of 2007, Item 5225-301-0660 (0.6)

*Project:* **Central Health Services Facility**

*Location:* San Quentin State Prison, San Quentin

*Authority:* Government Code Sections 15820.101 - 15820.105

## **Department of Veterans Affairs (8960)**

*Project:* **West Los Angeles Veterans Home**

*Location:* West Los Angeles Veterans Home, Los Angeles

*Authority:* Government Code Sections 15819.60 and 15819.65

*Project:* **Member Services Building Renovation**

*Location:* Yountville Veterans Home, Yountville

*Authority:* Chapters 47 and 48, Statutes of 2006, Item 8960-301-0660(1)

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, 2009 Series G, Various Capital Projects, which may be sold as a single series or in two subseries and may include tax exempt bonds or federally taxable Build America Bonds.
2. Approve the form of and authorize the execution of a Ninety-Fourth Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board.
3. Approve the form of and authorize the execution of a Site Leases between the above listed Departments (or Caltrans in the case of the Marysville Office Building) and the State Public Works Board.
4. Approve the form of and authorize the execution of a Facility Leases between the State Public Works Board and the above listed Departments.

5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

<b>Estimated Project Costs to be Financed</b>	<b>\$727,529,000</b>
<b>Estimated Par Value of Bonds to be Issued</b>	<b>\$789,410,000</b>
<b>“To Not Exceed” Par Amount</b>	<b>\$905,000,000</b>

## BOND ITEMS

### STAFF ANALYSIS ITEM—1

2009 Series G  
Various Capital Projects

#### Action Requested

The requested action would authorize the sale of the 2009 Series G lease revenue bonds, which may include one or more sub-series, and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement.

#### Scope Descriptions and Funding

**The projects are within scope.**

#### *Central Plant Renovation Project*

The Central Plant Renovation project occupies one city block in the City of Sacramento, bounded by “P” and “Q”, and 6<sup>th</sup> and 7<sup>th</sup> Streets. The plant provides chilled water, steam and compressed air to heat and cool 23 state office buildings in the State’s downtown campus, including the State Capitol, the Jesse Unruh Building (houses the Treasurers Office and the

State and Consumer Services Agency), the Stanley Mosk Library and Courts Office Building (houses the Supreme Court, the 3rd Appellate Court, and the State Librarian), the Library Annex Building (houses Library and Clerk's Office staff), the Legislative Office Building, the Energy Commission Building, the Bateson Building (houses the Department of Mental Health, Department of Developmental Services, and Health and Human Services Agency), the Paul Bonderson Building (houses Water Resources), the Resources Agency Building, State Personnel Board Office Building, the Employment Development Headquarters Office Building, the Employment Development Headquarters annex, the Employment Development Solar Building, the Blue Anchor Building (houses Governor's Office staff), Department of Food and Agriculture Headquarters, the Food and Agriculture Headquarters Annex, the Secretary of State and Archives Building, Office Building 10 (houses the Department of Rehabilitation), Office Building 8 and Office Building 9 (houses the Department of Social Services), Veteran's Affairs Headquarters, Department of Transportation Headquarters, and the State Parking Garage,. The Project includes minor repairs to the pipes and tunnels that run under the city streets and the connections to the state office buildings that are served by the central plant. The old plant was constructed in 1968 has reached or exceeded its useful life and is undersized for current demand. In addition, the old plant's "once through" condenser water system violated the Central Valley Regional Water Quality Control Board's ("Water Board") thermal plan for the Sacramento River by dumping millions of gallons of water that exceeded the proscribed temperature thresholds into the Sacramento River each day. As a result, the Water Board issued a cease and desist order.

The Central Plant Renovation project meets the current and planned heating and cooling load growth for the Capital Area, provides redundancy and fuel flexibility of the major equipment for maintenance and reliability, and mitigates the Water Board's cease and desist order.

The new plant consists of a two story, 68,000 square foot building that houses chillers, pumps, piping, boilers, air compressors, a steam turbine generator, control equipment, heating and cooling, and other required ancillary equipment. Mechanical equipment and cooling towers are located on the roof of the new plant making the plant over seven stories tall. In addition, the Project includes constructing a ten story, thermal energy storage (TES) tank. The TES tank will allow the Central Plant to store and chill water over night for use during the day, resulting in significantly less energy used to cool the 23 state buildings during the hours of peak energy use.

The project is designed to achieve a Gold rating for the "Leadership in Energy and Environmental Design" (LEED®) program, as administered by the United States Green Building Council. The Central Plant is managed and occupied by the DGS.

The total cost of the Central Plant Renovation Project is approximately \$214,005,000, all of which will be financed by proceeds from the 2009G Bonds. The Project was occupied and began providing chilled water to the 23 state buildings in July 2009. Deconstruction of the old plant and construction of the TES tank is scheduled to be complete by July 1, 2010.

#### *Marysville Office Building Replacement Project*

The Marysville Office Building Replacement project consists of removing all existing California Department of Transportation ("CalTrans") structures and parking lots; constructing a new 208,476 square foot, five-story office building with interior improvements capable of accommodating approximately 776 CalTrans employees being consolidated from various locations, and constructing new surface parking lots for approximately 440 vehicles.

The Project also includes a detached 3,238 square foot, 30-child daycare facility with outdoor play yards designed to recall the architectural imagery of the 1935 structure that this project is replacing.

The new office building is constructed primarily of pre-cast and cast-in-place concrete, commercial window systems, and light gauge steel framing. It is equipped with a complete fire-sprinkler/alarm system. The interior spaces are comprised mainly of open & private offices; various sized meeting rooms including an auditorium and multiple video-teleconferencing rooms; a ground floor, publicly accessible cafeteria with street-front patio dining; interior bicycle storage with associated shower/locker facilities; a large interior daylit open area which is visible from all five floors; and a data center with independent environmental control and dual fire protection systems. The data center and systems required for emergency operation are connected to a back-up generator.

The Project is designed to achieve a Silver rating for the "Leadership in Energy and Environmental Design" (LEED®) program, as administered by the United States Green Building Council. The facility will be operated and managed by the DGS. It is intended that the CalTrans will be the sole tenant.

#### *CalTrans.*

CalTrans is currently designated to be the sole state agency occupying the new, replacement building in Marysville. CalTrans is responsible for planning, designing, building, operating, and maintaining the State Highway System. The planning focus of CalTrans is to provide the citizens of the state with a multimodal transportation system that increases system capacity and consumer choices, improves safety, enhances quality of life, and supports economic vitality. The design focus is to facilitate transportation improvements and system integrity in the state through the adoption of "best practices" and design information to promote safety, statewide consistency, efficiency, and quality. In addition to a changing mix of transportation modes, including highways, rail, mass transit, and aeronautics, CalTrans professionals today must consider such complex issues as land use, environmental standards, and the formation of partnerships between private industry and local, state, and federal agencies.

CalTrans has more than 22,000 employees and is headquartered in Sacramento, California. It has 12 district offices situated in Bishop, Eureka, Fresno, Irvine, Los Angeles, Marysville, Oakland, Redding, San Bernardino, San Diego, San Luis Obispo, and Stockton. This California Department of General Services office replacement project houses the CalTrans Marysville Office.

The total cost of the Marysville Office Building Replacement Project is approximately \$75,655,000, of which \$73,391,000 will be financed with proceeds of the 2009G Bonds. It is anticipated that this Project will be completed by April 1, 2010.

#### *Camarillo Satellite Relocation.*

The Department of General Services is constructing the Camarillo Satellite Relocation project on behalf of the CCC. The new facility is approximately 48,625 square feet on state-owned real property and it will replace an existing facility leased by the CCC from a private entity. This facility will serve as a hub for the CCC's program in Ventura, Los Angeles, and Santa Barbara Counties. This Project is designed to accommodate up to 104 corps members and 35 employees. The Project consists of ten buildings that include: an administration building (2,905 square feet), an educational building (5,195 square feet),

a recreational buildings (4,896 square feet), four residential buildings (a combined total of 15,794 square feet), a multi-purpose building with kitchen/dining room (9,000 square feet), a warehouse (10,685 square feet), a hazardous materials storage building (150 square feet), and site work. The buildings will be constructed with steel frames and wood trusses. The Project is designed to achieve a Silver rating for the "Leadership in Energy and Environmental Design" (LEED®) program, as administered by the United States Green Building Council.

The total cost of this Project is approximately \$19,187,000, of which \$18,659,600 will be financed with proceeds from the 2009G Bonds. Beneficial occupancy is planned by August 1, 2010 and construction of the Project is expected to be complete by September 1, 2010.

#### *New Main Kitchen Project*

The new main kitchen project is a one-story kitchen building of approximately 27,000 gross square feet. The building frame consists of steel frame and masonry wall construction and open web metal roof joists. The building includes slab on grade floor, new mechanical, electrical, plumbing, controlled access and fire life safety systems. Interior improvements include partitions and finishes. Special features include new kitchen equipment for cook-chill production with a tray delivery system, high capacity food storage racks, large freezers, receiving and shipping docks with overhead coiling doors, and a 300 kilo volt-amps emergency generator. This Project is designed to serve 1500 patients. The Project is designed to achieve a Silver rating for the "Leadership in Energy and Environmental Design" (LEED®) program, as administered by the United States Green Building Council.

The total cost of this Project is approximately \$23,893,000, all of which will be financed by proceeds from the 2009G Bonds. The Project is currently occupied and construction is expected to be completed by November 1, 2009.

#### *California Correctional Institution (CCI) Wastewater Treatment Plant Renovation Project*

This Project covers approximately 69 acres and consists of renovation of the CCI wastewater treatment plant ("WWTP"), including replacement of the existing primary treatment headworks, renovation of the secondary treatment aeration basin, improving the disposal system to provide additional storage area including tertiary holding pond liners, and a new disinfection system. Treated effluent will be exported to adjacent farming operations. The plant is designed to treat the average daily flow of 1.1 Million gallons per day (MGD) and is capable of operating continuously at a peak daily flow of 2.2 MGD for up to six days. All structures are cast in place with concrete except for the storage ponds and temporary biosolids storage area, which are a combination of soil and high density polyethylene geomembrane liners. The facility is fully automated with a centralized computer system and programmable logic controllers operating all equipment.

The total cost of the CCI WWTP Renovation Project is approximately \$29,508,000, of which \$28,488,000 is expected to be financed with proceeds from the 2009G Bonds. Construction of the Project is expected to be complete and the CCI WWTP to be fully operational by August 1, 2010.

### *Chuckawalla Valley State Prison (CVSP) Heating, Ventilation, and Air Conditioning System Project*

The CVSP Heating, Ventilation, and Air Conditioning System (“HVAC”) project provides a central chiller plant and associated piping loop with new HVAC units at various buildings that replaced the deteriorated evaporative cooling units. The Project site covers approximately 105 acres and includes the area within the secured perimeter and the central chiller plant located outside the secure perimeter on the west side of the institution. The Project includes the replacement of failed evaporative cooling air-conditioning units with direct exchange air-conditioning units, the repair of collateral damage to roofs and building structures, and rehabilitation of housing unit showers. Thirty-four housing, facility support, and vocational building roofs were completely replaced and upgraded with additional roofing insulation. Twelve other buildings in the vocational yards had damaged sections of their roofs replaced. Shower facilities in all 12 housing units were rebuilt because of excessive moisture conditions in the inaccessible pipe chases that corroded the piping and pipe supports.

The total cost of the CVSP Heating, Ventilation, and Air Conditioning System project is approximately \$44,244,000, of which \$41,470,000 is expected to be financed with proceeds from the 2009G Bonds. Construction of the HVAC project was completed in June 2009. The Project is fully operational.

### *Deuel Vocational Institution (DVI) Wastewater Treatment Plant Project*

This Project will replace the existing WWTP that uses an oxidation ditch treatment method with a new WWTP that uses a membrane bioreactor treatment method. The Project site covers approximately 39 acres.

The new WWTP will have a designed treatment capacity of 0.7 MGD. The Project will be constructed on a 15 foot tall fill pad to ensure the plant is provided one hundred year flood protection. The plant will consist of a headworks with grit removal/influent pumping station, a membrane bioreactor facility with aeration tanks, effluent cooling towers, an ultra violet disinfection system, a solids handling facility, and other necessary support structures and systems.

The total cost of the DVI new WWTP Project is approximately \$40,006,000, of which \$36,084,000 is to be financed with proceeds from the 2009G Bonds. Construction of the Project is expected to be complete and the new WWTP to be fully operational by June 1, 2010.

### *SQ Central Health Services Building Project*

The new Central Health Services Building (“CHSB”) will support the delivery of improved health care services to the existing inmate population, providing medical, dental, and mental health care services, including outpatient clinical services, specialty clinical services, inpatient care, outpatient care, pharmacy, medical records, medical administration and support. The Project site covers approximately 2.5 acres. The building also includes the receiving and release function that incorporates medical, mental health and dental processing. The Project includes construction of a new five story building (retaining the façade of the original building) of approximately 135,000 square feet. The CHSB is constructed of building materials that are consistent with the existing architectural style of the institution. It is a Type I-FR construction per the California Building Code and is constructed to fully comply with Office of Statewide Health Planning and Development requirements. In addition, the exterior and interior building systems and finishes were hardened to meet the established CDCR Design Criteria Guidelines.

The project is designed to achieve a Silver rating for the “Leadership in Energy and Environmental Design” (LEED®) program, as administered by the United States Green Building Council. The facility will be operated and managed by the CDCR.

The total cost of the SQ CHSB Project is approximately \$142,910,000, all of which is expected to be financed with proceeds from the 2009G Bonds. Construction of the Project is expected to be complete and the facility fully occupied by January 1, 2010.

#### *West Los Angeles Veterans Home Project*

The West Los Angeles Veterans Home (“Home”) project will establish a new veteran’s home and is located on approximately 13.4 acres in the city of Los Angeles and adjacent to the United States Department of Veterans Affairs West Los Angeles Medical Center. The Home will provide 396 beds, of which 84 are residential care beds for the elderly and 312 are skilled nursing care beds (including 60 memory care beds).

This Project consists of an approximately 363,000 square foot veterans home plus a separate 8,600 square foot central plant structure. The Project consists of fire resistive construction designed for an occupancy classification of healthcare for ambulatory and non-ambulatory residents as well as office, professional and/or service operations. The exterior walls are glass fiber reinforced concrete, curtainwall system and stucco. The roofing system is a single ply over metal deck supported by steel beams and columns. The Project site includes a fire access road, site parking and landscaping.

The total cost of this Home Project is approximately \$253,648,000, of which approximately \$110,339,000 is expected to be financed with proceeds from the 2009G Bonds. The balance of the Project’s cost is funded by the federal government. The Project is expected to be completed and occupied by June 1, 2010.

#### *Member Services Building Renovation Project*

This Project will modernize an approximately 70,381 square foot concrete structure originally constructed in the 1950s. This Project provides a social networking and recreational center for the veterans who reside at the Yountville Veterans Home and their families. The Project includes a café, sundry store, bowling alley, barber shop, library, media center, game rooms, wellness center, veterans museum, radio station, and several multi-purpose rooms. The renovation of the building includes fire life safety upgrades, ADA modifications, seismic retrofit, Title 24 energy compliance, interior finishes, addition of photovoltaics, repainting of the building’s exterior, the installation of fire sprinklers, mechanical and electrical upgrades, and the addition of storage space. The demolition work of the Project includes the abatement of all hazardous materials and removal of interior finishes, doors, windows, walls, roofing, and mechanical and electrical systems.

The total cost of the Member Services Building Renovation project is approximately \$19,961,000, of which approximately \$10,489,000 is expected to be financed with proceeds from the 2009G Bonds. The balance of the Project’s cost is funded by the federal government. The Project is expected to be completed and occupied by May 1, 2010.

**Staff Recommendation:     Adopt the resolution.**

## BOND ITEMS

### BOND ITEM—2

#### 2009 SERIES H

#### CALIFORNIA STATE PRISON – MONTEREY COUNTY (SOLEDAD II)

##### Department of Corrections and Rehabilitation (5225)

*Project:* 64 Bed Mental Health Facility

*Location:* Salinas Valley State Prison, Soledad

*Authority:* Chapters 38 and 39, Statutes of 2005, Item 5225-301-0660 (4) as reappropriated by the Budget Acts of 2006 and 2009

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, 2009 Series H, California State Prison – Monterey County (Soledad), which may be sold as a single series or in two subseries and may include tax exempt bonds or federally taxable Build America Bonds.
2. Approve the form of and authorize the execution of a Ninety-Fifth Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board.
3. Approve the form of and authorize the execution of a Second Amendment to the Site Lease, between the Department of Corrections and Rehabilitation and the State Public Works Board.
4. Approve the form of and authorize the execution of a Sixth Amendment to the Facility Lease, between the State Public Works Board and the Department of Corrections and Rehabilitation.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

**Estimated Project Costs to be Financed**  
**Estimated Par Value of Bonds to be Issued**  
**“To Not Exceed” Par Amount**

**\$29,509,000**  
**\$31,135,000**  
**\$37,000,000**

## BOND ITEMS

### STAFF ANALYSIS ITEM—2

2009 Series H  
California State Prison – Monterey County (Soledad II)

#### Action Requested

**The requested action would authorize the sale of the 2009 Series H lease revenue bonds, which may include one or more sub-series, and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, site lease, facility lease, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement.**

#### Scope Descriptions and Funding

This project is within scope. The Salinas Valley State Prison (SVSP) 64 Bed Mental Health Facility is part of the larger, approximately 290 acre, SVSP institution. The SVSP was established with construction financed by the by the California State Prison – Monterey County (Soledad II) parity bonds. The portion of the SVSP that was financed by the parity bonds consists of two 512-bed maximum security celled housing units, one 500-bed high security celled housing unit, one 500-bed high security celled housing unit including a 100-bed Administrative Segregation Unit, one 200-bed minimum security dormitory housing unit, prison-wide support services buildings, and a double-fenced security perimeter with an electrified fence midway between them.

The SVSP 64 Bed Mental Health Facility project consists of the design and construction of a single story approximately 31,200 square foot building for institutional mental hospitals/prisons. The facility is licensed pursuant to Title 22 and Title 24 Correctional Treatment Center standards and includes a building with 64 single occupancy cells, nursing units, treatment rooms, and other related space. The existing non-inmate patient administration building was expanded by approximately 5,600 square feet (sf). The addition includes, but is not limited to, offices, work areas, a satellite pharmacy, and mechanical and electrical rooms. Approximately 7,300 sf is provided for outdoor recreation yards. This facility provides additional capacity for the CDCR's population of male, maximum-security inmates who require a licensed inpatient level of mental health care.

The Project is designed to achieve a Silver rating for the "Leadership in Energy and Environmental Design" (LEED®) program, as administered by the United States Green Building Council. The facility is being operated and managed by the CDCR.

The total cost of the SVSP 64 Bed Mental Health Facility project is approximately \$29,509,000, all of which is expected to be financed with proceeds from the 2009H Bonds. Construction of the Project was completed in July 2009 and this facility is fully occupied.

**Staff Recommendation: Adopt the resolution.**

## BOND ITEMS

### BOND ITEM—3

#### AMENDMENT TO THE SERIES I INDENTURE

Consider adoption of a resolution to authorize the execution of the 93<sup>rd</sup> Supplemental Indenture to make certain amendments to the Series I Indenture (also referred to as the Master Indenture).

## BOND ITEMS

### STAFF ANALYSIS ITEM—3

Amendment to the Series I Indenture

#### Action Requested

**If approved, the requested action would adopt a resolution to authorize the execution of the 93<sup>rd</sup> Supplemental Indenture to make certain amendments to the Series I Indenture (also referred to as the Master Indenture).**

#### Scope description

This resolution would make amendments to the Master Indenture to allow the Board to issue bonds as federally taxable Build America Bonds (BABs). The BABs were authorized by the federal American Recovery and Reinvestment Act of 2009 (ARRA). This program will allow the Board to issue bonds in calendar years 2009 and 2010 as federally taxable bonds that otherwise could be issued as tax-exempt bonds. The Board will receive a subsidy from the federal government for BABs it issues for up to 35 percent of the interest costs associated with the BABs. The BABs may provide an economic advantage to the Board because the federal subsidy could be more than the increased interest costs associated with issuing debt as federally taxable rather than as tax exempt.

**Staff Recommendation:     Adopt the resolution.**

## BOND ITEMS

### BOND ITEM—4

DEPARTMENT OF VETERANS AFFAIRS (8955)  
FRESNO VETERANS HOME  
FRESNO COUNTY

*Authority: Government Code Sections 15819.60, 15819.65, and 15819.70*

#### Consider adoption of a supplemental resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds or receipt of federal funds consistent with increased project authority of \$8,130,000 from Government Code Section 15819.70(a)(1) and \$92,620,000 from Government Code Section 15819.70(e).
2. Authorize the sale of the State Public Works Board Bonds consistent with current project authority.

**Cumulative Bond Appropriations:**

**\$158,633,000**

## BOND ITEMS

### STAFF ANALYSIS ITEM—4

Department of Veterans Affairs  
Fresno Veterans Home  
Fresno County

#### Action Requested

**If approved, the requested action would adopt a supplemental resolution authorizing actions to be taken to provide interim financing and to authorize the sale of bonds.**

#### Scope Description

**This project is within scope.** This project will design and construct a 239,000 gross square foot residential care facility (the Home) for 300 beds on approximately 26 acres of state-owned land along California Street in the City of Fresno. The Home will provide various levels of care services for California veterans and/or their spouses, including skilled nursing (SNF), residential care for the elderly (RCFE) and memory care (MC). Site improvements include access roads, surface parking, and landscaping.

### Funding and Project Cost Verification

**This project is within cost.** This project is funded through two sources: lease-revenue bonds authorized in Government Code (GC) §15819.65 and §15819.70, and the federal State Home Construction Grant Program. Currently it is estimated that the state will fund 41 percent and the federal grant will fund 59 percent of the project costs. However, the federal grant cannot be awarded until design is completed. In order to award the design-build contract, GC §15819.70(e) authorizes an additional appropriation from the Public Buildings Construction Fund in the amount equal to the anticipated federal grant (\$92,620,000).

\$158,633,000	total authorized project costs
\$158,633,000	total estimated project cost (\$66,013,000 Public Buildings Construction Fund, \$92,620,000 State Home Construction Grant Program)
\$ 4,343,000	project costs previously allocated: \$77,000 due diligence and environmental review during acquisition of the project site and \$4,266,000 performance criteria and request for proposal
\$154,290,000	project costs to be allocated: \$121,655,000 design/build contract (\$111,718,000 construction and \$9,099,000 indirect costs), \$6,083,000 contingency, \$4,297,000 A&E, \$8,937,000 agency retained, and \$13,318,000 other project costs

### CEQA

The project will require compliance with CEQA.

### Real Estate Due Diligence

A due diligence letter was provided on September 21, 2007. Nothing was identified that would adversely impact the project.

### Project Schedule

Approve performance criteria	May 2009
Award design-build contract	January 2010
Complete construction	March 2012

### Other

- This action will amend the interim financing amount of \$57,883,000 that was established for the Fresno project at the April 13, 2007 SPWB meeting. The new interim financing amount of \$158,633,000 is comprised of \$36,427,000 from GC §15819.65, \$29,586,000 from GC §15819.70(a)(1), and \$92,620,000 from GC §15819.70(e).
- Government Code Section 15819.60 authorizes the construction of new veterans' homes in the Greater Los Angeles and Ventura Counties (GLAVC), Shasta County, and Fresno County, and authorizes the utilization of the design-build construction procurement process in Fresno and Shasta counties.

**Staff Recommendation:      Adopt supplemental resolution.**

## BOND ITEMS

### BOND ITEM—5

DEPARTMENT OF VETERANS AFFAIRS (8955)  
REDDING VETERANS HOME  
SHASTA COUNTY

*Authority: Government Code Sections 15819.60, 15819.65, and 15819.70*

#### Consider adoption of a supplemental resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds or receipt of federal funds consistent with increased project authority of \$6,493,000 from Government Code Section 15819.65 and \$50,701,000 from Government Code Section 15819.70(e).
2. Authorize the sale of the State Public Works Board Bonds consistent with current project authority.

**Cumulative Bond Appropriations:**

**\$88,102,000**

## BOND ITEMS

### STAFF ANALYSIS ITEM—5

Department of Veterans Affairs  
Redding Veterans Home  
Shasta County

#### Action Requested

**If approved, the requested action would adopt a supplemental resolution authorizing actions to be taken to provide interim financing and to authorize the sale of bonds.**

#### Scope Description

**This project is within scope.** This project will design and construct a 127,000 gross square foot residential care facility (the Home) for 150 beds on approximately 26 acres of state-owned land along Knighton Road in the City of Redding. The Home will provide various levels of care services for California veterans and/or their spouses, including skilled nursing (SNF), residential care for the elderly (RCFE) and memory care (MC). Site improvements include access roads, surface parking, and landscaping.

### Funding and Project Cost Verification

**This project is within cost.** This project is funded through two sources: lease revenue bonds authorized in Government Code Section 15819.65 and 15819.70, and the federal State Home Construction Grant Program. . Currently it is estimated that the state will fund 41 percent and the federal grant will fund 59 percent of the project costs. However, the federal grant cannot be awarded until design is completed. In order to award the design-build contract, GC §15819.70(e) authorizes an additional appropriation from the Public Buildings Construction Fund in the amount equal to the anticipated federal grant (\$50,701,000).

\$91,416,000	total authorized project costs
\$88,102,000	total estimated project costs (\$37,401,000 Public Buildings Construction Funds, \$50,701,000 State Home Construction Grant Program)
\$ 2,977,000	project costs previously allocated: \$57,000 due diligence and environmental review during acquisition of the project site, \$2,920,000 performance criteria and request for proposal
\$85,125,000	project costs to be allocated: \$65,860,000 design/build contract (\$60,241,000 construction, \$5,619,000 indirect costs), \$3,293,000 contingency, \$2,462,000 A&E, \$4,812,000 agency retained, and \$8,698,000 other project costs.
\$ 3,314,000	bid savings

### CEQA

The project will require compliance with CEQA.

### Real Estate Due Diligence

A due diligence letter was provided on October 5, 2007. Nothing was identified that would adversely impact the project.

### Project Schedule

Approve performance criteria:	May 2009
Award design-build contract:	January 2010
Complete construction:	January 2012

### Other

- This action will amend the interim financing amount of \$30,908,000 that was established for the Redding project at the April 13, 2007 SPWB meeting. The new interim financing amount of \$88,102,000 is comprised of \$37,401,000 from GC §15819.65 and \$50,701,000 from GC §15819.70(e).
- Government Code Section 15819.60 authorizes the construction of new veterans homes in the Greater Los Angeles and Ventura Counties (GLAVC), Shasta County, and Fresno County, and authorizes the utilization of the design-build construction procurement process in Fresno and Shasta counties.

**Staff Recommendation:      Adopt amended resolution.**

## CONSENT ITEMS

### CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)  
ADMINISTRATIVE OFFICE OF THE COURTS  
NEW LONG BEACH COURTHOUSE, LOS ANGELES COUNTY  
AOC Facility Number 19-Y5, DGS Parcel Number 10567

*Authority: Chapters 171 and 172, Statutes of 2007, Provisions 7 and 8*

**Consider authorizing acquisition**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—1

Judicial Council of California  
Administrative Office of the Courts  
New Long Beach Courthouse, Los Angeles County

#### Action Requested

**If approved, the requested action would authorize acquisition.**

#### Scope Description

**This transaction is within scope.** The action would authorize the Judicial Council of California (Council) to acquire approximately 5.92 acres of land from the City of Long Beach Redevelopment Agency (RDA) to construct court facilities and related improvements for use by the Superior Court of California, Los Angeles County, for judicial, court, administrative office, and related purposes. The project will provide secure parking for judicial officers and staff. The property is located in downtown Long Beach adjacent to the existing courthouse and other local government buildings. The County of Los Angeles (County) transferred fee title in and to the court facility commonly known as the Long Beach Courthouse, located at 415 W. Ocean Boulevard, Long Beach, California (Court Facility), to the State of California (state) in April 2008. The proposed new courthouse site will be acquired in exchange for the existing Court Facility.

#### Funding and Cost Verification:

**This transaction is within cost.** Chapters 171 and 172, Statutes of 2007, Provisions 7 and 8 provide funding for this acquisition. The property can be acquired with the funds available and in accordance with Legislative intent. Project costs will be determined after the Administrative Office of the Courts (AOC) awards a bid for the Public Private Partnership project.

#### CEQA

A Notice of Determination was filed with the State Clearinghouse on May 22, 2009. The 30-day statute of limitations expired on June 26, 2009, without challenge.

#### Project Schedule

The anticipated date of close of escrow is December 2009.

#### Condition of Property

The Department of General Services (DGS) staff conducted a site visit to the subject property on March 19, 2009. The site is approximately 5.9 acres in size bounded by Magnolia, Broadway, Maine, and Third Streets in the city of Long Beach and is located across the street from the block which houses the City of Long Beach Police Department and the existing courthouse, adjoining the local government center. The site has street accessibility and the necessary utilities infrastructure for this type of building.

The Phase I report dated 2004 identified recognized environmental conditions (REC) at the subject site that included a drycleaner, auto service stations, a gas station onsite, as well as the ship supply facilities nearby located up-gradient. Because of this, a Phase II investigation was requested at the subject site to evaluate the potential for subsurface impacts due to the historical site operations in August 2008.

The investigation results showed that the soil type at all bore locations was silt and sand with an occasional thin clay layer. No groundwater was encountered at any borehole depth of 20 feet. All soil samples were analyzed for metals, VOC, and TPH. All samples tested for metals were well below the residential and commercial California Environmental Protection Agency's (EPA) Human Health Screening Levels (CHHSLs) for exposure scenario, with an exception of arsenic. The arsenic level ranged from a non detect to 10.0 mg/kg. This data is well within the western US soil range from 7.0 to 97.0 mg/kg. The arsenic metal concentration levels that are higher than CHHSL, but within the western US soil range are not considered a threat to human health or environment under the proposed commercial land use. The VOCs and TPH results did not indicate adverse impact due to historic use of the land. For the soil gas analysis, trichlorofluoromethane (TCFM) was detected at above residential indoor air-screening levels, but below commercial indoor air screening levels. Therefore, the site did not require additional investigation.

#### Seismic Safety Assessment

In April of 2009, a preliminary geotechnical investigation was performed for the proposed Long Beach Courthouse utilizing a recent subsurface investigation, including laboratory testing of selected soil samples, and geotechnical analyses. Based on the results of the investigation, along with review of published literature for the site area, it was the opinion that the site is geotechnically feasible for the proposed development, provided the recommendations presented in the report are implemented during the design, grading, and construction of the project.

The subject site does not exhibit surface expression that indicates the presence of active faulting. Our review of published maps and reconnaissance of the site do not suggest active faulting on-site or adjacent to the site. In addition, the subject site is not located within a State of California designated Fault-Rupture Hazard Zone (formerly known as Alquist-Priolo Zones), nor is it located within any currently mapped Seismic Hazard Zone, where a site-specific investigation to determine the location of any faults would be required.

#### Other

- The State Public Works Board authorized site selection for this property on April 10, 2009.
- The County transferred fee title in and to the existing Court Facility to the state in April 2008 pursuant to a Transfer Agreement between the Council and the County (for the Transfer of Responsibility for the Court Facility) dated June 19, 2007.
- The existing Court Facility consists of approximately 3.7 acres of real property improved with a six-story, approximately 161,000 net usable square foot building, parking for 245 cars, and associated landscaping. The state will exchange the existing Court Facility for the 5.9 unimproved acres and up to \$7,000,000 in infrastructure reimbursements. The AOC will lease back for \$1 per year the existing Court Facility until such time as the new courthouse is ready for occupancy. The AOC will engage a developer to build, finance, maintain, operate, and manage the new 545,000 square foot court building on the 5.9 acre site.
- The exchange values do not exceed estimated market values as indicated in DGS approved appraisals.
- The property is situated within an RDA plan area. The RDA and the Council executed a Memorandum of Understanding regarding planning and design controls wherein the RDA agrees that it will not exercise any rights it may have under the redevelopment plan or any other applicable document to restrict or control the Council's development or use of the property.
- The Exchange Agreement (EA) does not include DGS' standard environmental indemnification language. However, based on the DGS-ESS staff site visit and review of Phase I and Phase II Environmental Site Assessments, it does not appear that there are any environmental conditions which would present exceptional risk to the state.
- The legal description for one of the acquisition parcels excepts out mineral rights with surface rights of entry. The EA provides for the RDA to clear the third party ownership of surface rights prior to the transfer of title to the state. The surface rights will be conveyed to the state with the underlying fee.
- The preliminary title report cites as exceptions to the title policy approximately forty (40) oil and gas leases which may have expired if currently inactive. The Council determined that these oil and gas leases are held by a single lessee, but has not determined if these leases are still active. It should be noted, however, that these leases do not provide for surface rights of entry. As such, they were determined by the Council to represent no significant risk to the state project.

- The preliminary title report cites as exceptions to the title policy certain Covenants, Conditions, and Restrictions (CC&Rs) recorded in the late 1880's which prohibit the sale of intoxicating beverages. In the event of violation, the CC&R remedy is a right of reversion of the property to the original granting company or its successors and assigns. Based on the Council's analysis that the power of termination expired under Civil Code Section 885.030, the title company will delete the CC&Rs as exceptions to the title policy. For purposes of the proposed site acquisition, the Council has determined that the condition against sale of intoxicating beverages no longer provides a remedy of reversion of the land. It should be noted that, should someone have standing to enforce the restriction against sale of intoxicating beverages, there remains potential risk that other contract remedies may be available.
- The site meets conformance guidelines designated by legislation and Council requirements in terms of size, location, accessibility, and costs.
- There are no historic issues, no implied dedication, and no relocation assistance involved with this project.

**Staff Recommendation:     Authorize acquisition.**

## CONSENT ITEMS

### CONSENT ITEM—2

JUDICIAL COUNCIL OF CALIFORNIA (0250)  
ADMINISTRATIVE OFFICE OF THE COURTS  
NEW NORTH BUTTE COURTHOUSE, BUTTE COUNTY  
AOC Facility Number 04-F1, DGS Parcel Number 10600

*Authority: Chapter 311, Statutes of 2008  
Chapter 1, Third Extraordinary Session, Statutes of 2009, as amended by  
Chapter 1, Fourth Extraordinary Session, Statutes of 2009*

**Consider authorizing site selection**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—2

Department of General Services  
Judicial Council of California  
New North Butte Courthouse, Butte County

#### Action Requested

**If approved, the requested action would authorize site selection.**

#### Scope Description

**This project is within scope.** The requested action would authorize site selection of approximately 4.0 acres for the construction of a new five-courtroom facility and associated improvements for use by the Superior Court of California (Court) for judicial, administrative, and related purposes. The project will provide surface parking as well as secure parking for judicial officers and staff in the southeastern section of the City of Chico (City) in Butte County (County). The proposed Court site is located within an approved master planned, mixed use residential, commercial, and governmental development project. The Court site, one of the first to be developed in the master planned project, is adjacent to land proposed for new County district attorney, public defender, and sheriff offices.

### Funding and Cost Verification

**This project is within cost.** This property can be acquired with the funds available and in accordance with Legislative intent.

### CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code Section 21000-21177) and pursuant to Section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California (Council), acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

### Project Schedule

The anticipated close of escrow is October 2010.

### Condition of Property

On September 8, 2009, the Department of General Services (DGS) staff conducted a site visit to assess the general condition of the subject property described as a portion of Meriam Park that includes about four acres of undeveloped land situated west of the Bruce Road (between 20th Street and Picholine Way), Chico, Butte County. The subject property is located in the Sacramento Valley. The topography of the property is relatively flat. The vegetation observed on the property includes grasses and scattered perennial plants. The site visit entailed a tour of the surrounding property including a review of the subject property for apparent conditions that could adversely affect the safety of the property and to identify any tenancies, encroachments, apparent easements, or other rights to occupy or use the property that might be vested in parties other than the Court or the County. DGS staff finds that the subject property did not contain any apparent hazards to health and safety or any adverse restrictions for site development. Additionally, the Phase I report (dated July 24, 2009) did not reveal any evidence of recognized environmental conditions in connection with the subject property and therefore concluded no further investigations.

### Other

- The proposed site meets the Council's size, location, and compatibility requirements.
- The purchase price will not exceed the estimated fair market value as indicated in a Department of General Services (DGS) approved appraisal report. The DGS approved value is a ready-to-build, finished site value; that is, the value is based on the condition that, prior to transfer of title, infrastructure and streets are constructed to, and within, the subject property at no additional cost to the state.
- The larger parcel of which the subject is a portion is encumbered by numerous public utility and/or right of way easements. The post-site selection due diligence will determine if any easements adversely impact the market value or intended use of the subject property.
- There are no historic issues, implied dedication, or relocation assistance involved with this project.

**Staff Recommendation:     Authorize site selection**

## CONSENT ITEMS

### CONSENT ITEM—3

JUDICIAL COUNCIL OF CALIFORNIA (0250)  
ADMINISTRATIVE OFFICE OF THE COURTS  
NEW SAN BERNARDINO COURT, SAN BERNARDINO COUNTY  
AOC Facility Number 36-R1

*Authority: Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037 (2)*  
*Chapters 268 and 269, Statutes of 2008, Item 0250-301-3037 (2)*  
*Chapter 1, Statutes of 2009, Item 0250-301-3037 (10)*

**Consider:**

- a. recognition of a scope change
- b. approval of preliminary plans

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—3

Judicial Council of California  
Administrative Office of the Courts  
New San Bernardino Courthouse, San Bernardino County

Action Requested

**If approved, the requested action would recognize a scope change and approve preliminary plans.**

Scope Description

**This project is not within scope.** The project scope provides for a new 36-courtroom, 362,000 square foot (sf) facility and consolidates operations from nine different facilities. Of these, three courtrooms were to be dedicated to the juvenile delinquency calendar and one was to be dedicated to juvenile traffic. In gathering the information for the Capital Outlay Budget Change Proposal request, it was erroneously noted that the juvenile traffic court had one courtroom. While preparing the preliminary plans for this project, the Administrative Office of the Courts (AOC) discovered that the juvenile traffic court had two small hearing rooms instead of one courtroom. To accommodate the requested scope change, the square footage assigned

to the fourth courtroom (810 sf) will be used to create two hearing rooms (562 sf or 281 sf each) and related functions (248 sf). The hearing officers who use these rooms will share one of the four judicial chambers provided on the juvenile floor. The floor area has been designed so that it can be converted to four standard criminal courtrooms should the needs of the court change in the future. This request does not increase total building square footage or approved costs.

A 20-day letter was sent to the Legislature on September 18, 2009, and the 20-day review period has expired with no adverse comments.

#### Funding and Cost Verification

**This project is within cost.** The construction cost estimate at the end of preliminary plans (100 percent design development) indicates that the estimated construction cost reflects the anticipated construction bids.

\$341,905,000	total authorized project costs
\$341,905,000	total estimated project costs
\$ 17,809,000	project costs previously allocated: \$4,774,000 acquisition and \$13,035,000 preliminary plans
\$324,096,000	projects costs to be allocated: \$17,331,000 working drawings and \$306,765,000 construction (\$272,967,000 contract, 13,648,000 contingency, \$4,493,000 A&E, and \$15,657,000 other project costs)

#### CEQA

A Notice of Determination was filed with the State Clearinghouse on May 7, 2008. The 30-day statute of limitations expired on June 6, 2008, without challenge.

#### Project Schedule

Close of escrow	July 2010
Approve preliminary plans	October 2009
Complete working drawings	September 2010
Complete construction	January 2013

#### Other

The project schedule has been changed to reflect a delayed close of escrow. The Board approved acquisition for this project at its June 13, 2008, meeting. At that time, escrow was anticipated to close in July 2009. The San Bernardino Redevelopment Agency (SBRDA) was to complete the utilities relocation prior to close of escrow. However, the SBRDA cannot complete the utilities relocation until the AOC's working drawings are sufficiently complete for them to be able to calculate the flow rate and slope for the sewer line. There is a very small margin of error that would be acceptable; working drawings must be accurate within 12 inches +/- as to future sewer line connection point. Once drawings are sufficiently developed, it will take the SBRDA approximately 6-7 months to complete the work. Close of escrow is now anticipated for July 2010.

**Staff Recommendation: Recognize a scope change and approve preliminary plans.**

## CONSENT ITEMS

### CONSENT ITEM—4

JUDICIAL COUNCIL OF CALIFORNIA (0250)  
ADMINISTRATIVE OFFICE OF THE COURTS  
MONROVIA TRAINING CENTER, LOS ANGELES COUNTY  
AOC Facility Number 19-N1, DGS Parcel Number 10603

*Authority: Trial Court Facilities Act of 2002, Chapter 1082, Statutes of 2002, commencing with Section 70301 of the Government Code, as amended.*

**Consider the acquisition of real property through a transfer of title**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—4

Judicial Council of California  
Administrative Office of the Courts  
Monrovia Training Center  
Los Angeles County

#### Action Requested

**If approved, the requested action would authorize the acquisition of real property through a transfer of title.**

#### Scope Description

**This transaction is within scope.** The County of Los Angeles (County) is transferring fee title in and to the court facility commonly known as Monrovia Training Center located at 300 West Maple Street, Monrovia, California (Court Facility), to the State of California (state) on behalf of the Judicial Council of California (Council), Administrative Office of the Courts (AOC), pursuant to that certain Transfer Agreement between the Judicial Council of California, Administrative Office of the Courts and the County of Los Angeles for the Transfer of Responsibility and Title for Court Facility, dated December 16, 2008 (Transfer Agreement). The Court Facility consists of approximately 16,000 square feet on 0.6 acres of real property improved with a one-story building, two modular court structures, parking area, and associated landscaping. Following the no-cost transfer of title, the AOC shall be responsible for the funding and operation of the Court Facility.

### Funding and Cost Verification

**This transaction is within cost.** The County shall not be entitled to compensation for any equity value in the square footage occupied by the Superior Court in the Court Facility pursuant to the Trial Court Facilities Act of 2002 (the Act). The only costs associated with acceptance of this no-cost acquisition are the staff costs to process the acceptance.

### CEQA

A Notice of Exemption was filed with the State Clearinghouse on June 3, 2008. The 35-day statute of limitations period expired on July 9, 2008, without challenge.

### Project Schedule

The anticipated close of escrow is November 2009.

### Condition of Property

The AOC, staff agency to the Council, was responsible for conducting site visits to the Court Facility; for contracting for the professional services of an environmental professional for the Phase I Environmental Site Assessment (Phase 1); for the building assessment; and for the seismic assessment. The following findings were made from the combined resources identified above:

#### Phase I:

A Phase I report was completed in April, 2008, in accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessments. No on-site or off-site recognized environmental conditions (RECs) with respect to the subject site. Additionally, based on after review and evaluation of existing environmental data obtainable through site observations and review of available historical and agency records, no RECs appear to be present that might affect property. The buildings are of pre-1978 construction; therefore asbestos containing building materials (ACM) and lead based paint (LBP) are likely present in the building. The report cites the presence of PCB contaminants as contained in transformers, capacitors or fluorescent light ballasts and other electrical equipment, and recommends that the AOC consider that the County supplies a list of such materials to the AOC.

The report also identified a listing for a manufactured gas plant located 1/8-mile from the courthouse property dating from the 1800s to the 1950s. This gas plant was located potentially upgradient to the courthouse site, but is not considered an REC. Although no further action was recommended, future owners should be aware of a potential for migrating hydrocarbon contamination.

### Building Assessment:

Staff from the AOC's Office of Court Construction and Management conducted an initial site visit of the Court Facility on July 15, 2009, to assess the general condition of the property. Staff has visited the site on several occasions since the initial site visit to monitor the condition of the Court Facility. The site visits entailed a tour of the facility and surrounding property including a review of the real property for apparent conditions that could adversely impact the habitability or safety of the property; and to identify any tenancies, encroachments, apparent easements, or other rights to occupy or use the property that might be vested in parties other than the County or the Court. The Office of Court Construction and Management concluded that the Court Facility did not contain any apparent hazards to the health and safety of the occupants or property.

### Seismic Safety Assessment of the Improvements:

A licensed structural engineer performed a Tier I seismic safety assessment of the building located in the Court Facility in June 2003, and inspected and evaluated the Court Facility for seismic safety in accordance with the method and criteria developed by the Department of General Services' Real Estate Services Division. This seismic evaluation of the Court Facility was then peer-reviewed by other qualified engineers.

The AOC determined that the building has a seismic safety rating of Level IV, as defined in the Risk Acceptability Table of the State Building Seismic Program, developed by the Division of State Architect, April 1994.

### Other

- The state may refuse to accept responsibility for the Court Facility only if (a) the Court Facility contains one or more "deficiencies," as defined at Government Code Section 70326(b), and (b) the county and the AOC have not made provisions for the correction of the deficiencies as part of the Transfer Agreement, pursuant to Section 70326(c) or Section 70327(d) of the Government Code. Neither of these situations exists.
- The County published a state of Proceedings December 16, 2008, approving the Transfer Agreement to transfer title and responsibility of the Court Facility to the state.
- The Transfer Agreement (TA) requires that delivery of title to the property would be free and clear of any mortgages or liens.
- The TA further provides that the County's equity interest in the real property will be compensated, should the Council replace the courthouse for all or part of the court facility or otherwise sell or release title to the real property after the transfer of title.
- The Joint Occupancy Agreement provides for rights of first refusal and rights of first offer in favor of the County and Council to expand into and occupy, on a paid basis, any portion of the real property that the County or Council desires to vacate in accordance with Government Code section 70342(e).
- The County has agreed to indemnify the AOC for any liability imposed on the AOC pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.), or related provisions for conditions at the time of transfer whether known or not known that existed in, on, or under the real property.
- The Phase I report indicates that it is likely that there are potential concerns for lead-based paint and asbestos containing materials in the building. Prior to any structural changes or renovations, all appropriate local, state, and federal rules/regulations will be followed with respect to the handling and disposal of these materials. The AOC will also seek all available information from the County for the asbestos containing building materials (ACMs), lead based paint (LBP) and polychlorinated biphenyl (PCBs) at the site. In absence of such data availability the AOC will conduct survey of possible hazards prior to any modification, or demolition.
- The AOC is not aware of any lawsuits pending concerning the property.

- In accordance with the Act, there is adequate parking for the Court Facility.
- There is no relocation assistance or implied dedication in this court facility transfer.
- There are no historic issues associated with the Court Facility.

**Staff Recommendation:**     **Authorize the acquisition of real property through a transfer of title.**

## CONSENT ITEMS

### CONSENT ITEM—5

JUDICIAL COUNCIL OF CALIFORNIA (0250)  
ADMINISTRATIVE OFFICE OF THE COURTS  
GORDON D. SCHABER COURTHOUSE, SACRAMENTO COUNTY  
AOC Facility Number 34-A1, DGS Parcel No. 10602

*Authority: Trial Court Facilities Act of 2002, Chapter 1082, Statutes of 2002, commencing with Section 70301 of the Government Code, as amended.*

**Consider the acquisition of real property through a transfer of title**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—5

Judicial Council of California  
Administrative Office of the Courts  
Gordon D. Schaber Courthouse, Sacramento County

#### Action Requested

**If approved, the requested action would authorize the acquisition of real property through a transfer of title**

#### Scope Description

**This transaction is within scope.** The County of Sacramento (County) is transferring fee title in and to the court facility commonly known as the Gordon D. Schaber Courthouse, located at 720 Ninth Street, Sacramento, California (Court Facility), to the State of California (state) on behalf of the Judicial Council (Council), Administrative Office of the Courts (AOC), pursuant to that certain Transfer Agreement between the Council, AOC and the County for the Transfer of Responsibility and Title for Court Facility, dated December 30, 2008 (Transfer Agreement). The Court Facility consists of approximately 291,000 square feet situated on approximately 2.5 acres of real property. The Court Facility is a six-story concrete building and penthouse, with a total of sixty on-site basement parking spaces with a vehicle sally port, a large plaza and landscape areas.

### Funding and Cost Verification

**This transaction is within cost.** The County shall not be entitled to compensation for any equity value in the square footage occupied by the Superior Court in the Court Facility pursuant to the Trial Court Facilities Act of 2002 (the Act). The only costs associated with acceptance of this no-cost acquisition are the staff costs to process the acceptance.

### CEQA

A Notice of Exemption was filed with the State Clearinghouse on June 2, 2008. The 35-day statute of limitations period expired on July 7, 2008, without challenge.

### Project Schedule

The anticipated date of close of escrow is November 2, 2009.

### Condition of Property

On August 22, 2005, staff from the AOC's Office of Court Construction and Management (OCCM) conducted its initial site visit of the Court Facility to assess the general condition of the property. The site visit entailed a tour of the facility and surrounding property including a review of the real property for apparent conditions that could adversely impact the habitability or safety of the property. The visit included identification of furnishing, fixtures and equipment to be transferred and conveyed to the state along with the real property. The assessment was also for purposes of identifying any tenancies, encroachments, apparent easements or other rights to occupy or use the property that might be vested in parties other than the County or the Court. OCCM staff concluded that the Court Facility did not contain any apparent hazards to the health and safety of the occupants or property. Follow-up site visits found that the building condition was similar to that described in August 2005.

### Phase I and Phase II Assessments:

A Phase I report was completed in November 2008 in accordance with the American Society for Testing and Materials. No on-site Recognized Environmental Conditions (RECs) were identified in the report, but the land uses of two off-site properties in close proximity to the Court Facility warranted a Limited Phase II. A Limited Phase II was completed on April 3, 2009, to complete a subsurface investigation for total petroleum hydrocarbons and chlorinated solvents associated with the off-site RECs identified in the Phase 1 report. The presence of volatile organic compounds was not detected in the samples taken indicating that the soil underlying the Court Facility does not appear to be impacted from on or off site releases. Per the Phase II investigation, the site does not warrant further investigation.

### Seismic Safety Assessment of the Improvements

Licensed structural engineers performed a Tier 1 seismic safety assessment of the building in July 2003 and inspected and evaluated the Court Facility for seismic safety in accordance with the method and criteria developed by the Department of General Services' Real Estate Services Division.

The AOC determined that the building has a seismic safety rating of Level V as defined in the Risk Acceptability Table of the State Building Seismic Program developed by the Division of State Architect, April 1994. The building is transferring to the state pursuant to the provisions of Government Code Section 70324 (SB 10) which provides that the county shall be responsible for any seismic-related damage and injury, the county shall indemnify, defend, and hold the state harmless from those claims.

## Other

- The state may refuse to accept responsibility for the Court Facility only if (a) the Court Facility contains one or more “deficiencies,” as defined at Government Code Section 70326(b), and (b) the county and the AOC have not made provision for the correction of the deficiencies as part of the Transfer Agreement, pursuant to Section 70326(c) or Section 70327(d) of the Government Code. None of these situations exists.
- The County adopted a Resolution No. 2008-1254 on December 16, 2008, approving the Transfer Agreement to transfer title and responsibility of the Court Facility to the state.
- The Transfer Agreement requires that delivery of title to the property would be free and clear of any mortgages or liens.
- The County has agreed to indemnify the AOC for any liability imposed on the AOC pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U. S. C. Sec. 9601 et seq) or related provisions for conditions at the time of transfer whether known or not known that existed in, on, or under the real property during the period of its ownership.
- The AOC is not aware of any lawsuits pending concerning the property.
- The Superior Court of California, County of Sacramento currently occupies 100 percent of the building. No change in occupancy shall occur after transfer of title to the state.
- The terms of the Transfer Agreement state that the County will continue to offer its telecommunications system services to the state. Effective as of the closing, the AOC grants the County rights of ingress, egress and access to all parts of real property to which any component, subcomponent or connection to the telecommunications system is located.
- The AOC grants to the County the right to access the Real Property, including the Building and On-Site Court Parking area, on as as-needed basis in order to access any County utility facility located within the Court Facility, for maintenance, repair, replacement or improvement purposes.
- The Courthouse receives heating and cooling from the County owned Central Plant. The County and the AOC will share responsibility for the operations, maintenance, repair and replacement of the Central Plant but only to the extent that such shared responsibility is expressly stated in the Transfer Agreement. The building will continue to receive Central Plant Utilities on and after the TOR Closing Date.
- In accordance with the Act, there is adequate parking for the Court Facility.
- There are no historic issues, relocation assistance or is no implied dedication associated with the Court Facility.
- It should be noted that the seismic evaluation has determined that in the event of seismic disturbance the facility may pose significant risk to persons and property which could create substantial liability to the state. However, the Transfer Agreement provides indemnification to the state for seismic related damage and injury per Government Code Section 70324.

**Staff Recommendation:**      **Authorize the acquisition of real property through a transfer title.**

## CONSENT ITEMS

### CONSENT ITEM—6

JUDICIAL COUNCIL OF CALIFORNIA (0250)  
ADMINISTRATIVE OFFICE OF THE COURTS  
WINTERHAVEN COURTHOUSE, IMPERIAL COUNTY  
AOC Facility Number 13-D1, DGS Parcel Number 10598

*Authority: Trial Court Facilities Act of 2002, Chapter 1082, Statutes of 2002, commencing with Section 70301 of the Government Code, as amended.*

**Consider the acquisition of real property through a transfer of title**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—6

Judicial Council of California  
Administrative Office of the Courts  
Winterhaven Courthouse, Imperial County

#### Action Requested

**If approved, the requested action would authorize the acquisition of real property through a transfer of title.**

#### Scope Description

**This transaction is within scope.** The County of Imperial (County) is transferring fee title in and to the court facility commonly known as the Winterhaven Courthouse, located at 2124 Winterhaven Drive, Winterhaven, California (Court Facility), to the State of California (state) on behalf of the Judicial Council of California (Council), Administrative Office of the Courts (AOC), pursuant to that certain Transfer Agreement between the Council, AOC and the County for the Transfer of Responsibility and Title for Court Facility, dated December 15, 2008 (Transfer Agreement). The Court Facility consists of approximately 0.1 acres of real property improved with an approximately 2,100 square foot, one-story building and associated landscaping. Following the no-cost transfer of title, the AOC shall be responsible for the funding and operation of the Court Facility.

### Funding and Cost Verification

**This transaction is within cost.** The County shall not be entitled to compensation for any equity value in the square footage occupied by the Superior Court in the Court Facility pursuant to the Trial Court Facilities Act of 2002 (the Act). The only costs associated with acceptance of this no-cost acquisition are the staff costs to process the acceptance.

### CEQA

A Notice of Exemption was filed with the State Clearinghouse on June 23, 2008. The 35-day statute of limitations period expired on July 28, 2008, without challenge.

### Project Schedule

The anticipated close of escrow is November 1, 2009.

### Condition of Property

Staff from the AOC's Office of Court Construction and Management conducted an initial site visit of the Court Facility on June 16, 2008, to assess the general condition of the property, and has continued to monitor the condition of the Court Facility since that time. The initial site visit entailed a tour of the facility and surrounding property including a review of the real property for apparent conditions that could adversely impact the habitability or safety of the property; and to identify any tenancies, encroachments, apparent easements, or other rights to occupy or use the property that might be vested in parties other than the County or the Court. The Office of Court Construction and Management concluded that the Court Facility did not contain any apparent hazards to the health and safety of the occupants or property.

### Phase I:

A Phase I report was completed in July 2009 in accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessments. The Phase I includes an evaluation of significant environmental, health, and safety conditions impacting the interior and exterior of the Court Facility. The report noted no on-site or off-site recognized environmental conditions with respect to the subject site. The report does however, cite issues of concern that include: (1) the presence suspect lead based paints (LBP) in the form of paint on the walls and window sills; (2) suspect asbestos containing materials (ACM) in the vinyl floor tile, suspended acoustical tiles, and sheetrock; and (3) four properties within a ¼ mile of the subject property were identified in research databases that were comprised of various leaking underground storage tanks. The cases of three of the four sites were closed, however, the fourth site, a USA Supersave/Salvadore Huerta property, located 0.05 miles from the subject property remains open. The report states that the site was likely cross-gradient to the subject property. Based upon a review of the current GeoTracker database and monitoring by the RWQCB, together with the cross-gradient location of the LUST site, the AOC's Environmental Staff has found that site does not adversely impact the courthouse site. With respect to the suspect LBP and ACM noted in the Phase I, the report notes that it was not a present environmental concern based on the observed conditions of both suspect materials, which were in good condition.

### Seismic Safety Assessment of the Improvements:

Pursuant to SB 1732, Chapter 1082, Statutes of 2002 (Act), Section 70327, any Court Facility less than 10,000 square feet of space is exempt from the seismic safety assessment requirement upon approval of the Director of the Department of Finance (Finance) and the AOC. This facility has been exempted pursuant to Finance and AOC approval.

## Other

- The County adopted a Minute Order on December 16, 2008, authorizing the Board's Chairman to execute documents in connection with the transfer and ownership of the Court Facility to the AOC.
- The Transfer Agreement requires that delivery of title to the property would be free and clear of any mortgages or liens.
- The County has agreed to indemnify the AOC for any liability imposed on the AOC pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.), or related provisions for conditions at the time of transfer whether known or not known that existed in, on, or under the real property.\
- The Phase I report indicates that it is likely that there are potential concerns for lead-based paint and asbestos containing materials in the building. Prior to any structural changes or renovations, all appropriate local, state, and federal rules/regulations will be followed with respect to the handling and disposal of these materials. In addition, prior to any ground disturbing activities, appropriate local, state, and federal rules/regulations will be followed with respect to handling and possible disposal of contaminated soil.
- The Superior Court will occupy 100 percent of the Court Facility.
- There are no historic issues, relocation assistance, or is no implied dedication associated with the Court Facility.
- The AOC is not aware of any lawsuits pending concerning the property.
- In accordance with the Act, there is adequate parking for the Court Facility.

**Staff Recommendation:**      **Authorize the acquisition of real property through a transfer of title.**

## CONSENT ITEMS

### CONSENT ITEM—7

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
DEUEL VOCATIONAL INSTITUTION  
NEW MINIMUM SUPPORT DINING FACILITY  
TRACY, SAN JOAQUIN COUNTY

*Authority:* Chapter 1, Statutes of 2009, Item 5225-301-0747(1)

**Consider approval of preliminary plans**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—7

Department of Corrections and Rehabilitation  
Deuel Vocational Institution, New Minimum Support Dining Facility  
Tracy, San Joaquin County

#### Action Requested

**If approved, the requested action would approve preliminary plans.**

#### Scope Description

**This project is within scope.** This project includes demolition of the existing kitchen/dining facility and design and construction of a new dining facility. This new dining facility will be an approximately 2,000 square foot pre-engineered, single story, insulated, metal clad building constructed on a concrete foundation and floor slab. This facility will provide seating capacity for approximately 80 inmates. This building will include double door entries/exits on the north and south sides of the building, two restrooms, one for staff and one for inmates, and a janitor's closet. This project will be located outside of the institution's secure perimeter, within the confines of the minimum support facility and will provide a dining facility for the institution's Level I inmates housed within the minimum support facility.

### Funding and Cost Verification

**This project is within cost.** This project was originally funded as a minor capital outlay project. However, upon completion of design in June 2007, it was determined the project cost would exceed the minor capital outlay funding limit. Consequently, this project was shifted to the major capital outlay program for completion. Construction funding for this project was appropriated in the Budget Act of 2009 from the 1988 Prison Construction Fund (General Obligation Bonds).

\$ 750,000 total authorized project cost

\$ 750,000 total estimated project cost

\$ 750,000 project costs to be allocated: construction (\$539,000 contract, \$35,000 contingency, \$126,000 other project costs, and \$50,000 agency retained items)

### CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 23, 2009, and the statute of limitations expired on August 27, 2009, without adverse comment.

### Real Estate Due Diligence

Real estate due diligence will be completed prior to the approval of working drawings.

### Project Schedule

Approve preliminary plans	October 2009
Approve working drawings	To be determined
Complete construction	To be determined

**Staff Recommendation:**     **Approve preliminary plans.**

## CONSENT ITEMS

### CONSENT ITEM—8

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
STATEWIDE  
SMALL MANAGEMENT EXERCISE YARDS (PSYCHIATRIC SERVICES UNITS AND  
SECURITY HOUSING UNITS)  
VARIOUS COUNTIES

*Authority: Chapter 1, Statutes of 2009, Item 5225-301-0001(3)*

**Consider approval of a scope change**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—8

Department of Corrections and Rehabilitation  
Statewide

Small Management Exercise Yards (Psychiatric Services Units and Security Housing Units)  
Various Counties

#### Action Requested

**If approved, the requested action would approve a scope change.**

#### Scope Description

**This project is not within scope.** Based on a January 2007 statewide assessment of the housing capacity of Psychiatric Services Units (PSU) and Security Housing Units (SHU), it was determined that approximately 150 additional Small Management Exercise Yards (SMY) were needed to meet Title 15 requirements for out-of-cell exercise time. The Budget Act of 2007 provided funding for preliminary plans and working drawings for 50 of these yards at the California Correctional Institution (CCI). The Budget Act of 2009 provides funding for the preliminary plans and working drawings for the remaining 100 yards.

However, a statewide reassessment of the existing housing capacity of PSU and SHU was conducted in June 2009. Based on this reassessment, it has been determined that an additional seven SMYs are needed at a combination of two locations (California State Prison, Sacramento (SAC) and CCI) and two fewer yards are necessary at California State Prison, Corcoran (COR). Consequently, CDCR requests a scope change to add two additional SMYs at SAC and five additional SMYs at CCI and to reduce the number of SMYs at COR by two; for a net increase of five yards.

This scope change will increase the total scope of this project from 100 SMYs to 105 SMYs. Taking this change into account, the scope of this project will include the following break down of SMYs by institution: 10 yards at Pelican Bay State Prison, 16 yards at SAC, 47 yards at COR, 23 yards at CCI, and 9 yards at Valley State Prison for Women.

#### Funding and Cost Verification

**This project is within cost.** The Budget Act of 2009 appropriated \$278,000 General Fund for preliminary plans and working drawings for this project. The addition of these five SMYs will be accomplished within the existing preliminary plans and working drawings appropriation for this project. Preliminary plans and working drawings are expected to be complete in November 2009 and March 2010, respectively. It is anticipated that construction funding for this project will be requested in a future budget.

\$ 278,000	total authorized project cost
\$8,353,000	total estimated project cost
\$ 278,000	project costs previously allocated: \$153,000 preliminary plans and \$125,000 working drawings
\$8,075,000	project costs to be allocated: construction (\$6,318,000 contract, \$388,000 contingency, \$966,000 other project costs, and \$403,000 agency retained items)

#### CEQA

Appropriate CEQA documentation will be completed during the preliminary plans phase.

#### Real Estate Due Diligence

Real estate due diligence will be completed during the preliminary plans phase.

#### Project Schedule

Approve preliminary plans	December 2009
Approve working drawings	March 2010
Complete construction	To be determined

**Staff Recommendation: Approve scope change.**

## CONSENT ITEMS

### CONSENT ITEM—9

**CALIFORNIA COMMUNITY COLLEGES (6870)  
CABRILLO COMMUNITY COLLEGE DISTRICT, CABRILLO COMMUNITY COLLEGE  
VISUAL ARTS RECONSTRUCTION (BUILDING 300)  
SANTA CRUZ COUNTY**

*Authority: Chapters 171 and 172, Statutes of 2007, Item 6870-303-6049 (1)*

**Consider:**

- a. approval of preliminary plans
- b. approval of a reversion \$110,000

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—9

California Community Colleges  
Cabrillo Community College District, Cabrillo Community College  
Visual Arts Reconstruction (Building 300), Santa Cruz County

Action Requested

If approved, the requested action would approve preliminary plans and a reversion of working drawing funds.

Scope Description

**This project is within scope.** This project will remodel the existing Visual Arts building. Space types in the reconstructed building include 8,852 assignable square feet (asf) lecture space, 1,325 asf office space, and 2,660 asf other space for a total of 12,837 asf. There have been minor changes in the project space such that the district was able to increase the efficiency of the building and gain a small amount of additional office and assembly space.

### Funding and Project Cost Verification

**This project is within cost.**

\$6,195,000 total estimated project costs  
\$6,195,000 total authorized project costs  
\$ 78,000 state funds previously allocated: preliminary plans  
\$2,910,000 state funds to be allocated: \$1,979,000 construction (\$1,726,000 contracts, \$121,000 contingency, project administration \$132,000), and equipment \$931,000  
\$ 78,000 local funds previously allocated: preliminary plans  
\$3,129,000 local funds to be allocated: \$219,000 working drawings, \$1,980,000 construction (\$1,727,000 contracts, \$121,000 contingency, \$132,000 project administration), and \$930,000 equipment  
\$ 110,000 state funds to be reverted: working drawings

### CEQA

A Notice of Determination was filed with the State Clearinghouse on January 26, 2000, and the waiting period with no adverse comments.

### Real Estate Due Diligence

Community college districts have full responsibility for clearing due diligence issues for general obligation bond projects.

### Project Schedule

Approve preliminary plans	October 2009
Complete working drawings	October 2009
Complete construction	October 2010

### Other

Government Code section 13332.11 requires the reversion of working drawing funds or construction funds if a Department proceeds past preliminary plans without Board approval. The District did not acquire approval of preliminary plans before commencing working drawings because of a change in personnel at both the District and Chancellors Office.

**Staff Recommendation: Approve preliminary plans and a reversion of working drawing funds.**

## CONSENT ITEMS

### CONSENT ITEM—10

**CALIFORNIA COMMUNITY COLLEGES (6870)  
RIVERSIDE COMMUNITY COLLEGE DISTRICT, RIVERSIDE COMMUNITY COLLEGE  
WHEELOCK GYMNASIUM SEISMIC RETROFIT  
RIVERSIDE COUNTY**

*Authority: Chapters 268 and 269, Statutes of 2008, Item 6870-301-6049 (1)*

**Consider approval of preliminary plans**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—10

California Community Colleges  
Riverside Community College District, Riverside Community College  
Wheelock Gymnasium Seismic Retrofit, Riverside County

#### Action Requested

**If approved, the requested action would approve preliminary plans.**

#### Scope Description

**This project is within scope.** The proposed project is to bring the existing gym at the Riverside City Campus up to current seismic, fire/life safety and ADA standards including accessible path of travel: entrance/exits, doors, stairs/elevators, ramps, restrooms, and shower facilities. The existing 32,347 sq ft (24,112 assignable square feet (asf)) will be renovated and an additional 8,559 sq ft (309 asf) will be added for a total of 24,421 asf.

Space types in the reconstructed building include 872 asf classroom space, 1,670 asf office space, 8,808 asf gymnasium space and 13,072 asf other space including locker rooms, bleachers and fitness rooms for a total of 24,421 asf. There have been minor changes in the project space such that the district was able to increase the efficiency of the building and gain a small amount of gymnasium space while cutting total asf by 685 sq ft.

### Funding and Project Cost Verification

**This project is within cost.**

\$18,159,000 total estimated project costs

\$18,411,000 total authorized project costs

\$ 397,000 state funds previously allocated: preliminary plans

\$ 9,759,000 state funds to be allocated: \$421,000 working drawings, \$9,338,000 construction (\$8,245,000 contracts, \$575,000 contingency, \$132,000 A&E, \$221,000 tests and inspection, and \$165,000 project administration).

\$ 274,000 local funds previously allocated: preliminary plans

\$ 7,981,000 local funds to be allocated: \$311,000 working drawings, \$7,653,000 construction (\$6,953,000 contracts, \$366,000 contingency, \$111,000 A&E, \$84,000 tests and inspection, and \$139,000 project administration), and \$17,000 equipment.

### CEQA

A Notice of Categorical Exemption was filed with the State Clearinghouse on August 10, 2009 and the statutes of limitation expired on September 17, 2009, without challenge.

### Real Estate Due Diligence

Community college districts have full responsibility for clearing due diligence issues for general obligation bond funded projects.

### Project Schedule

Approve preliminary plans	October 2009
Complete working drawings	February 2010
Complete construction	October 2011

**Staff Recommendation:     Approve preliminary plans.**

## ACTION ITEMS

### ACTION ITEM—1

UNIVERSITY OF CALIFORNIA (6440)  
LOS ANGELES CAMPUS  
LIFE SCIENCES RESEARCH AND NURSING EDUCATION BUILDING AT CHARLES R.  
DREW UNIVERSITY OF MEDICINE AND SCIENCE  
LOS ANGELES COUNTY

*Authority: Chapters 171 and 172, Statutes of 2007, Item 6440-305-6048 (3) and Provision 8*

**Consider making a determination, or conditional determination, that the requirements of Provision 8 have been met and are consistent with the signing message**

## ACTION ITEMS

### STAFF ANALYSIS ITEM—1

University of California, Los Angeles  
Life Sciences Research and Nursing Education Building at Charles R. Drew University of  
Medicine and Science,  
Los Angeles County

#### Action requested

**If approved, the requested action would make a determination, or conditional determination, that the requirements of Provision 8 have been met and are consistent with the signing message.**

#### Scope Description

**This project is within scope.** The Charles Drew University (CDU) Life Sciences Research and Nursing Education Building project will construct a new facility of 65,235 ogsf (outside gross square feet) to house programs in biomedical research and nursing education. The building will provide 41,071 asf (assignable square feet), of which 13,714 asf (18,321 ogsf) will house a new cooperative program in Nursing Education, to be instituted by CDU in January 2009, for the purpose of addressing California's critical nursing shortage. The state-of-the-art facility will allow nursing education to be conducted on CDU's campus in South Los Angeles in proximity to underserved communities. The remaining space within the building will be utilized by separate CDU research programs and provide support for building services.

## Funding and Project Cost Verification

### **This project is within cost.**

\$10,000,000	total authorized project costs (state funds)
\$49,735,000	total estimated project costs
\$ 4,000,000	non-state project costs previously allocated: \$2,000,000 preliminary plans, \$2,000,000 working drawings
\$10,000,000	state project costs to be allocated: construction
\$35,735,000	non-state project costs to be allocated: \$33,115,000 construction and \$2,620,000 equipment

## CEQA

In August 2008, in accordance with the California Environmental Quality Act (CEQA), the Los Angeles County Department of Regional Planning determined that the November 2007 approval of the project by the County of Los Angeles, the lead agency under CEQA, qualified it for an exemption as a ministerial project under CEQA §21080. The University of California concurs with the findings that the project is in compliance with the requirements of CEQA.

In addition, the Regents' authorization and approval of a lease and operating agreement qualifies for a Categorical Exemption under CEQA §15327 Class 27 (Leasing of New Facilities), as the agreement involves leasing of a newly constructed facility by a public agency where the local governing authority determined that the building was exempt from CEQA.

## Real Estate Due Diligence

CDU has demonstrated ownership of the new facility and recognizes its obligation to deliver possession of the premises for the term of the lease as a valid and binding obligation of CDU to The Regents of the University of California (UC), pursuant to the lease between CDU and The Regents. Pursuant to an operating agreement between The Regents and CDU, they have agreed to use the facility to conduct the cooperative nursing program.

## Other

- A total of \$10 million was appropriated in the 2007 Budget Act, Chapters 171 and 172, Item 6440-305-6048 (3). Provision 8 of the item specifies that release of funds is contingent on compliance with the following requirements and that no funds may be encumbered for this project until the State Public Works Board has determined that these requirements have been met:
  - (1) *The commitment of at least \$10 million in matching funds from non-State sources. The Director of Finance (Finance) shall confirm the commitment of matching funds prior to the release of state funds.* CDU has satisfied this requirement through a letter of credit from Sovereign Bank and the issuance of California Educational Facilities Authority bonds.
  - (2) *The submittal to the Joint Legislative Budget Committee (JLBC) and Finance, at least 45 days prior to encumbrance of funds, of formal agreements between the Regents of the University of California and the CDU of Medicine and Science pertaining to: (a) the ownership and occupancy of the facility and (b) the operation of a joint program in nursing.* Staff notes that documentation regarding non-state matching funds, a project planning guide, original lease documents and a

cooperative agreement were submitted to the JLBC and DOF for review in July and September 2008. The JLBC provided their endorsement of the agreements as meeting the requirements of Provision 8 of the Budget Act of 2007 in a letter dated September 8, 2009. The Department of Finance is working with UC to finalize the Lease Agreement, Operating Agreement, and Nondisturbance and Attornment Agreement, which we expect to complete in the next couple of weeks, to meet the requirements of the budget act including the Governor's signing message as discussed below.

- In conjunction with the \$10 million augmentation provided for the Life Sciences Research and Nursing Education Building, the 2007 Budget Act included a Governor's signing message. The signing message indicated that the Governor continues to support programs and projects that will alleviate the nursing shortage in California. *However, a number of issues both legal and programmatically need to be resolved before funds may be expended. Specifically, there are legal concerns regarding the use of general obligation bonds for this project and may require the state to acquire and maintain ownership of the facility being built.*

#### Project Schedule

Preliminary plans completed	February 2008
Complete working drawings	July 2008
Complete construction	February 2010

#### **Staff Recommendation:**

**Make a conditional determination that the requirements of Provision 8 have been met and are consistent with the signing message. Further delegate the authority to the Board staff to make the final determination that the requirements of Provision 8 have been met and are consistent with the signing message upon Board staff approval of the final version of the following documents: Lease Agreement; Operating Agreement; and Lease Subordination, Nondisturbance, and Attornment Agreement.**

**OTHER BUSINESS**

**NONE**

**REPORTABLES**

To be presented at the meeting.